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Closing the Triangle in Trade EC and Japan Try to Form Stronger Ties

By Reginald Dale
BRUSSELS — As they grow in stature as economic powers, the European Community and Japan have begun to realize that they both have closer relations with the United States than they do with each other, and that the disparity needs to be remedied.
European and Japanese officials say the Brussels-Tokyo axis is the "weak side of the triangle," the three-cornered relationship between the United States, the EC and Japan that dominates the world trading system.



Noboru Takeshita
...of his growing importance in the industrial world's leadership equation as the relative weight of the United States diminishes.

But Tokyo Foresees New Barriers

By Patrick L. Smith
TOKYO — As the European Community advances toward economic unification, officials and executives in Tokyo are coming to question whether the creation of the world's largest single market represents a new opportunity for Japan or a threat to its existing relationships with European nations.
Based on the view that a reinvigorated Europe will be less given to protectionist impulses, official policy in Tokyo is entirely supportive of the EC's integration.



UP AND OVER — Roger Craig of the San Francisco 49ers clutched the ball as he flew over John Oferdahl of the Miami Dolphins Sunday in a U.S. professional football exhibition game in London.

Hussein Yields To PLO

Jordan's Ruler Abandons Claims To the West Bank
By John Kifner
AMMAN — King Hussein of Jordan has abandoned to the Palestine Liberation Organization any claim to the Israeli-occupied West Bank, his Hashemite family ruled between 1948 and 1967.
"We respect the wish of the PLO, the sole legitimate representative of the Palestinian people, to secede from us in an independent Palestinian state," the king said Sunday night in a dramatic television address that followed several days of moves to distance himself from the West Bank.

In Moscow, Debate on the Military's Role

By R. Jeffrey Smith
MOSCOW — The U.S. secretary of defense, Frank C. Carlucci, will find the Soviet leadership engaged in its broadest debate on military matters in more than two decades when he arrives here Monday for a week of consultations with his Soviet counterpart, Defense Minister Dimitri T. Yazov.
At stake are such bedrock issues as the "scale" and "scope" of Soviet military expenditures, the influence of military officers in policy-making, and even whether the military should be capable of mounting an offensive attack against the West.

NEWS ANALYSIS
conservative, hidebound institution that has traditionally been aloof from independent scrutiny, much less official reproach.

A Soviet policy maker last week described the debate privately as "history in the making," reflecting what he saw as its broad, embryonic stage and its highly uncertain outcome.

Mr. Gorbachev waited a year after becoming Communist Party leader before gently shaking the restraints of military policy by announcing in February 1987 that he favored "restricting military potential within the bounds of reasonable sufficiency," and using political means to resolve, or at least avoid, military problems.

Ozone Pollution Soars During U.S. Heat Wave

By Philip Shabecoff
WASHINGTON — The mass of hot, dirty air that has lingered over much of the United States this summer increased ozone pollution in many cities to the highest levels in the 1980s, according to preliminary readings from government monitoring stations.
The readings underscore the fact that, in reducing the pollutants specifically cited in the Clean Air Act of 1970, the United States has done a poor job in lowering pollution from ground-level ozone—a major component of urban smog, a known contributor to respiratory illness and a significant cause of damage to crops and trees.

The urban ozone readings come at a time when new medical studies indicate that ozone may constitute a more serious threat to public health than had been previously recognized. Though it has long been known that high levels of ozone pose a health threat, new research points to dangers from lower concentrations over periods of six to eight hours.
Instead of progressing toward the goal in the clean air law of reducing ozone to safe levels, the country appears to be losing ground.



Sunday was Navy Day in the Soviet Union and sailors of the Baltic Fleet stroled along the Neva in Leningrad, their warship in the background, to see the sights of the port. In just a few decades, the Soviet Navy has grown from a largely coastal fleet that seldom ventured far from land to a force with aircraft carriers, fast cruisers and nuclear missile submarines that range far from home bases.

Klosk Plea Spurned By Hezbollah

HASBAYA, Lebanon (UPI) — A leader of the pro-Iranian Hezbollah group rebuffed on Sunday a United Nations call to free William R. Higgins, a U.S. Marine lieutenant colonel assigned to a UN monitoring force, and said his abduction was linked to "American intelligence activities" in South Lebanon.
Sheikh Abbas al-Musawi, a key figure among Lebanese Shiite clerics guiding the Hezbollah, also virtually acknowledged that the Shiite Muslim militia group was holding him.

MONDAY Q&A

Theodore Pangalos, Greece's minister for Europe, discusses priorities as his country takes over the EC presidency. Page 2
New Zealand grants the United States a blanket clearance for military jets on Antarctic supply flights. Page 4
Business/Finance
NCNB Corp. has won the bidding to take over First Republic Bank Corp. Page 7

Political Clichés: A Full Plate in Dog-Eat-Dog Campaigns

By E. J. Dionne Jr.
WASHINGTON — Clichés are the mother's milk of political rhetoric, and the battle for the best of them in this election year is heating up.
"Whoever controls the clichés wins — you can bet the ranch on it," said John Buckley, a Republican political operative. Warning to his task, he added, "They say that people want originality, but that dog don't hunt."
The battle for the clichés is important. After all, clichés become clichés by virtue of long use, repetition that is in turn earned by their ability to ring true to the electorate.

One popular kind of political cliché is the long-used phrase that a candidate will pick up to signal fidelity to a certain tradition or set of ideals.
Governor Michael S. Dukakis's constant reference to "the American dream" is a case of a candidate's employing a cliché to do several things at once. The phrase allows the Democratic presidential nominee to demonstrate his patriotism, underscore his immigrant roots, reach out to other Americans with immigrant roots and cast his campaign as a fight for expanded opportunity. All this in one cliché.

'In every election in American history, both parties have their clichés. The party that has the clichés that ring true wins.'
Newt Gingrich, Republican of Georgia.

Mr. Gingrich has what might be called a grand theory of political clichés. It goes like this: "In every election in American history, both parties have their clichés. The party that has the clichés that ring true wins. And if the clichés continue to ring true when the party governs, that party and those clichés can change history."

hardly give a speech without describing himself as "a full-employment Democrat." And those who have listened to a lot of his speeches complain about his repeated use of the phrase "good jobs at good wages." But the voters don't complain, and if "Dukakis" becomes synonymous this fall with "good jobs at good wages" then the candidate will have gained a great deal.

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Iran Envoy Sees End to Gulf Attacks
Compiled by Our Staff From Dispatches

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BRIEFS

Leading Palestinians... police detained on Sunday two prominent... products as well as inciting Palestinians...

Mr. Ben Ali... Mr. Ben Ali... Mr. Ben Ali... Mr. Ben Ali...

Study Finds 2 Sides... To Teens' Drug Use... The vast majority of teen-agers who occasionally drink or use...

Kills 30 Malaysians... Senate on Arms Sales... The Senate... The Senate...

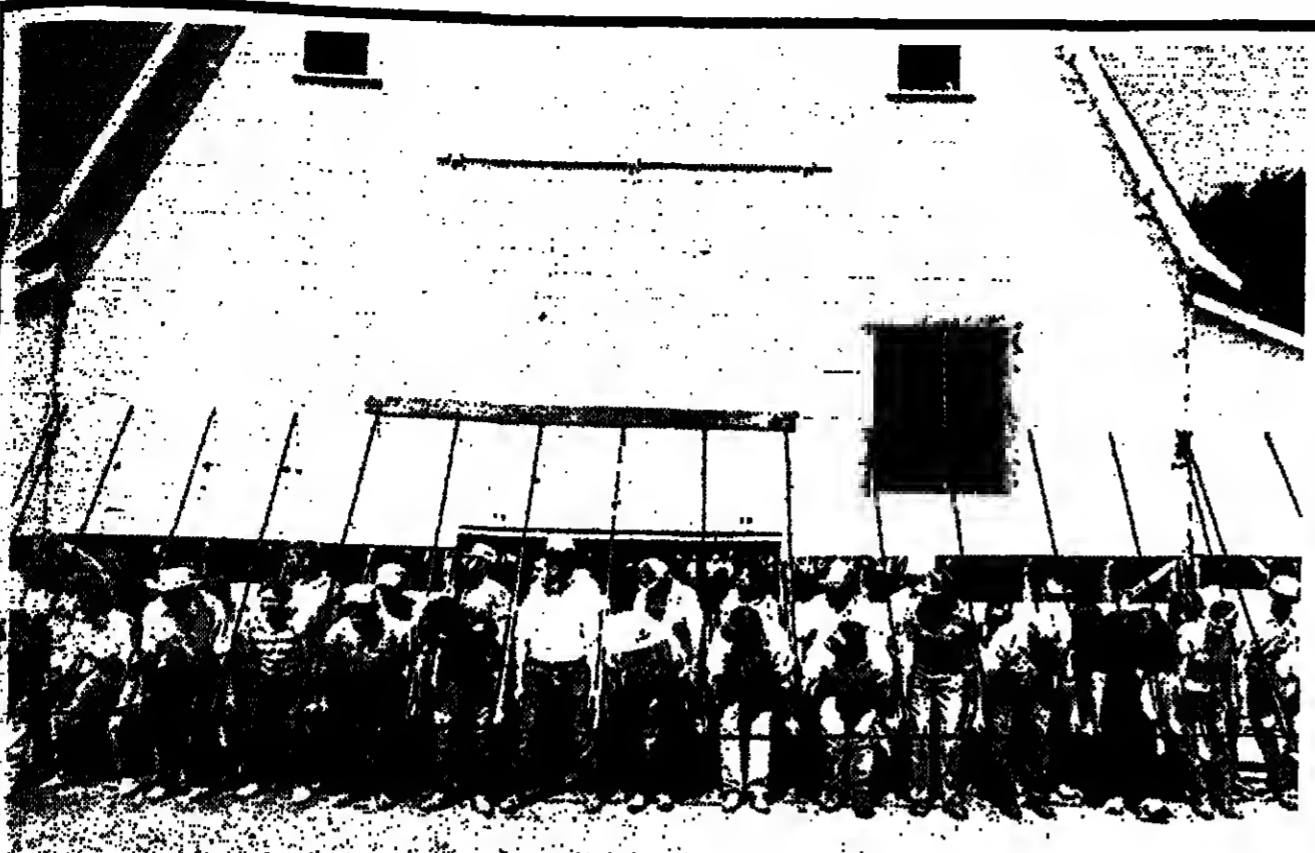
EL UPDATE... ke to Roads in France... Mr. Shultz's special envoy, Morris...

Central Americans Thwart U.S. Call... For Strong Criticism of Sandinistas... Mr. Shultz's trip is to win direct or...

Inter-American Rights Court Finds... Honduras Guilty in Disappearance... judgment fully," said a spokesman...

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TOTE THAT BARN — Some of the estimated 328 persons who got together to move a barn in Bruno, Nebraska, as part of the town's 100th birthday celebration. The volunteers took about 20 minutes to carry the barn about 10 feet east, then 100 feet north.

AMERICAN TOPICS

Study Finds 2 Sides... To Teens' Drug Use... The vast majority of teen-agers who occasionally drink or use...

own Italian-language daily... An English-made automated dry-cleaning machine in Manhattan...

Notes About People... Dean Rusk, who frequently put in 16-hour days as secretary of state...

Justice Harry A. Blackburn of the U.S. Supreme Court says that when Anthony M. Kennedy was nominated for the court...

Denver Shows Perils of Airport-Building

By Andrew H. Malcolm New York Times Service

DENVER — The tortuous effort to replace Denver's airport is an example of how local wrangling over the building of a new airport can affect the efficiency of the national air transportation system.

typically marks the relationship between big cities and their rural neighbors, the approval was a major political achievement. But historically, transportation terminals have been an important factor in a community's well-being...

Doughty, the airport manager, who was hired from Cleveland in 1984. His first decision was to buy so much snow-removal equipment that the airport was better equipped than the city of Denver.

lition airfield will open in the mid-1990s with six runways capable of handling 653,000 landings and departures a year and \$1.6 million passengers, with planned expansion to 110 million passengers a year and 1.2 million landings and departures on 12 runways.

Denver may yet offer lessons for other cities whose airfields are hard-pressed to handle today's traffic, let alone the 800 million passengers a year projected for the late 1990s.

buy the empty land for what was to become the nation's sixth-busiest airfield. Today, like airports all over America, it is surrounded by houses, hotels and businesses, which are both a measure of the field's economic success and a noose on its expansion.

County was also enticed by anticipated tax revenues: One new hotel could pay more county taxes than all the annexed farmland.

Dukakis Steps Up Criticism Of Administration's Ethics

Washington Post Service

RALEIGH, North Carolina — Riding the wave of enthusiasm generated by the Democratic National Convention, Governor Michael S. Dukakis of Massachusetts has stepped up his criticism of the ethical standards of the Reagan administration, which he compared to a rotting fish.

using Mr. Reagan of personally setting a low ethical standard. But Mr. Dukakis, who said that no chief executive could know everything that happens in his administration, repeatedly asserted that responsibility for an administration's ethical tone "starts at the top."

Advertisement for fashion designer Igedo Düsseldorf, featuring a black and white photograph of a person and text: "the selection of fashion igedo düsseldorf september 11-14, 1988"

For Castro, Gorbachevism Is a Heresy

By Joseph B. Treaster New York Times Service

HAVANA — For too many months, it seems, President Fidel Castro has been hearing echoes in Cuba about the virtues of reforms that have been sweeping the Soviet Union, his economic and military supporter for nearly 30 years.

of this revolution," Mr. Castro said, "is that it has not copied, it has created." Mr. Castro, who regards himself as an ascetic, began a return to orthodoxy about two years ago when he heard about the Cuban garlic farmer who earned \$50,000 a year under the more relaxed economic policies of the time.

So far, rectification has been more rhetorical than revolutionary. Hardly anyone besides Mr. Castro seems excited about it. Concrete changes are hard to find, and some Cubans say they expect it will slowly fade away.

Other Marxist countries are unlikely to mimic Cuba's policies, even if they are equally reluctant to plunge into Gorbachev-style restructuring. Specifically referring to Nicaragua, which itself has vacillated in its choice of economic policies, Mr. Castro said he would not proselytize on rectification.

Central Americans Thwart U.S. Call For Strong Criticism of Sandinistas

By Stephen Kinzer New York Times Service

SAN JOSE, Costa Rica — The United States has been rebuffed in an effort to win a strong denunciation of Nicaragua by Central American foreign ministers, according to senior Costa Rican and Guatemalan officials.

Mr. Shultz's trip is to win direct or indirect support for the bill from regional leaders. "The secretary of state reaffirmed his government's willingness to contribute effectively and significantly to the defense of the democratic governments of Central America who ask for it," the draft said. "The five foreign ministers reaffirmed the right of their governments to act in defense of regional democratic security, either individually or collectively."

Inter-American Rights Court Finds Honduras Guilty in Disappearance... judgment fully," said a spokesman, Lisandro Quesada. "If we have to pay compensation to the family of the disappeared person, it has to be done."

"I want to point out in defense of the current government," he added, "that the disappearance of Velasquez happened in 1981, when General Paz Garcia was president." General Policarpo Paz Garcia was the military ruler until 1982.

Large advertisement for comprehensive U.S. election coverage from The New York Times and The Washington Post, featuring the headline "Comprehensive U.S. election coverage from The New York Times and The Washington Post" and "Save 40% by subscribing."

Subscription form for the International Herald Tribune, including a table of rates for various countries and a section for subscription terms and contact information.

كزامن الأهل

Mandela, Via Lawyer, Denies U.S. Consultant Controls His Interests

By John D. Battersby

JOHANNESBURG — Nelson Mandela, speaking through his lawyer, has repudiated a claim by a public relations consultant from North Carolina who said that he had been given power of attorney to represent the Mandela family interests and prevent "the rip-off" of the imprisoned anti-apartheid leader's name.

Italian Ship Sails From Nigeria With Toxic Waste

The Associated Press

LAGOS — An Italian ship has sailed with 167 containers of toxic waste retrieved from the Nigerian port of Koko, where it had been secretly unloaded a year ago.

The ship's destination was not announced. It was one of two ships sent by Italy to remove several thousand tons of toxic waste dumped 240 kilometers (150 miles) southeast of Lagos.

Nigerian authorities arrested 15 people last month, including several Italian nationals, in connection with the dumping.

The waste, which Nigerian newspapers said had originated in 10 European countries, was unloaded in August 1987.

Brigadier General Mamman Kontogora, minister of works and housing, said Sunday the government was setting up environmental task forces in each of the country's 301 local government areas to monitor arriving cargo.

He said the groups would make sure there was no further secret dumping of toxic waste.



Children helping a woman who was hurt in a bomb explosion in a Johannesburg suburb. One person was killed and 57 were injured.

Mozambique's Ragtag Rebels Fight On

By John D. Battersby

GORONGOSA DISTRICT, Mozambique — In the heart of Mozambique, a group of anti-government rebels facing regional and international isolation continues to plot the destruction of this country's ailing transport and electricity network from the seclusion of these shifting forest headquarters.

In spite of a two-year offensive by Mozambican, Zimbabwean and Tanzanian troops, a ragtag rebel army of the Mozambican National Resistance Movement, known by its Portuguese acronym Renamo, has survived and even stepped up its attacks.

Renamo, commanded by Afonso Dhlakama, 35, a former supporter of the governing party, had its origins as a mercenary force sponsored by Rhodesia, and later received South African support.

More recently, the guerrillas, thought to number between 15,000 and 20,000, have lost much of their foreign support, but have managed to continue attacks on railroads, roads and electricity lines, as well as staging frequent hit-and-run attacks on towns held by the Mozambican Army.

medicines. They do not attempt to hold the towns, preferring to move on and returning only when looted goods have been replenished.

A three-day visit to a remote and well-guarded Renamo base in So-fala Province, about 65 kilometers (40 miles) from the nearest government base, revealed a lightly armed band of guerrillas clad in captured camouflage suits and motley civilian clothes.

Their base is not far from the Gorongosa Game Park, about 800 kilometers north-northeast of Maputo.

An atmosphere of the surreal dominated the rebels' hideout. Primitives of incoming messages from commanders arrived from a new laptop computer linked to the field radio.

Flanked by political department heads in smart three-piece suits and ties, Mr. Dhlakama, a short, bespectacled man who has led the movement for nearly a decade, explained: "We are waging a war to democratize and lower the profile of the enemy. It serves no purpose to hold towns that are empty."

The rebels cannot match the Soviet-made aircraft and other advanced weaponry of the Zimbabweans and Mozambicans. But they appear to enjoy sufficient support from the war-weary local population, and to have mastered rural guerrilla tactics to the point where



Many of the claims made by the rebels conflict with a U.S. State Department report, which branded them as one of the most brutal guerrilla armies in the world.

the reconstruction of the war-torn and drought-ravaged country is impossible without their cooperation.

Many of the claims made by the rebels conflict with United Nations reports and a recent U.S. State Department report, which branded Renamo as one of the most brutal guerrilla armies in the world.

Renamo was originally a mercenary army, organized and nurtured by white Rhodesian intelligence officers in the mid-1970s. Sponsorship of the rebels was later taken over by the South African Army, with the backing of Portuguese business interests that had been dispossessed in Mozambique.

Although South Africa says it no longer supplies the rebels, there is some evidence that support continued after the signing of a South Africa-Mozambique nonaggression pact in 1984.

The rebel group describes itself as anti-Marxist, and says that doctrinaire Marxist policies that threatened the traditional way of life of tribal villagers were a main reason for its creation.

While Renamo says its tenets are anti-Marxist, the Maputo government has diluted the leftist policies it followed after expelling the Portuguese colonial administration in 1976 and has moved closer to the Western economic sphere of interest, seeking Western and even South African aid.

Although Renamo also claims a clandestine presence in the capital, Maputo, and in provincial capitals, guerrilla leaders say their strategy is to gain control of rural Mozambique before trying to precipitate an insurrection in urban areas.

Renamo's assertion that it controls 85 percent of rural Mozambique is clearly excessive, but the rebels appear to be able to move freely in more than a third of the country.

But the guerrillas, who have crippled much of the country's vital rail and power network, have been licensed to the Khmer Rouge of Cambodia in the State Department report, which blamed the rebels for killing more than 100,000 people

and turning at least one million into refugees.

The report, issued in April and based on interviews with 196 Mozambican refugees in five countries, also held the rebels responsible for a series of massacres of civilians last year, including one at Homoine in which more than 400 persons were killed.

The report found that the movement has used forced labor, rape, mutilation and arbitrary execution in its bid to overthrow the government.

Mr. Dhlakama vehemently denies these charges and insists that atrocities are committed by specially trained counter-insurgency units mandated to discredit the rebels.

"If we were just a bunch of bandits," Mr. Dhlakama said, "we would have been caught and been handed over to government forces long ago."

Mr. Dhlakama, the son of a tribal chief from the tiny Ndaou tribe in central Mozambique, was thrust unexpectedly into the Renamo leadership by Rhodesian intelligence officers after the death in combat of Andre Matsangaissa, the movement's first leader.

Anselmo Victor, 33, "political ideology minister," is responsible for the 7,000 party members, of whom 2,000 are said to operate in the cities.

"In every town we have got our political members we can contact," he said. "We also have members who have infiltrated the Mozambican secret police who keep us well-informed."

Maputo Claims Violation The official Mozambican news agency AIM said Sunday that South Africa had secretly flown foreign journalists to rebel-held areas of Mozambique in violation of a security pact between the two countries, Reuters reported from Maputo, the Mozambican capital.

AIM said the visit was an attempt by South Africa to polish the rebels' image, which was tarnished by a U.S. State Department report in April accusing the guerrillas of mass murder of civilians.

Zambia Flies Around Pretoria Sanctions

By Blaine Harden

LUSAKA, Zambia — When Congress imposed sanctions that canceled U.S. landing rights for South African Airways, the airline told its customers: "Don't Worry. We're still flying high."

South Africa's national airline bragged in a newspaper advertisement that it would circumvent the U.S. sanctions "thanks to our friendly association with our colleagues."

Nearly two years later, in an ironic twist in the international effort to isolate the white minority regime in South Africa, the "colleagues" that is making it possible for South Africans to fly almost directly to New York is Zambia Airways, the national carrier of a black-ruled nation.

Zambia, one of Pretoria's most vocal critics and an occasional target of South African armed attacks, has begun jumbo-jet service that offers South Africans the shortest, fastest and, in many cases, cheapest air passage to North America.

President Kenneth Kaunda of Zambia, chairman of the organization of black-ruled "front-line"

states that oppose South Africa's racial policies, has been at the forefront in calling on Western Europe and Japan to join the United States in economic sanctions against Pretoria. He says that "the rest of the world should not benefit where American businessmen are losing. It is not fair."

Yet Mr. Kaunda conceded in an interview that Zambia Airways is profiting from U.S. sanctions.

"Yes, I agree," he said. "But what do you expect us to do? If we stopped that, how does it help in terms of this region?"

The new flight is a reminder of the close economic ties that remain between South Africa and the black-ruled nations of southern Africa. It also shows that the front-line states, in dealing with Pretoria, cannot afford symmetry between their anti-apartheid rhetoric and their business dealings.

Zambia is in the midst of an economic crisis. Its standard of living has been decaying for more than a decade. Child death from malnutrition has doubled in the past five years. It has stopped paying interest on its foreign debt of \$5.3 billion.

Many industries have closed for lack of foreign exchange to buy imported spare parts. Shops are chronically short of consumer goods. About half of the goods that get into the landlocked country are either made in, or transported through, South Africa.

Zambia desperately needs hard currency — even the South African rand.

"We don't deal in politics," said George A. Lewis, marketing director for Zambia Airways. "You cannot ask me to give any political view. There is a market in this region." Mr. Lewis conceived the idea for the nonstop flight to New York.

Representative Howard E. Wolpe, a Michigan Democrat who was a sponsor of the 1986 U.S. sanctions, says he finds nothing inappropriate about the flight.

"These countries are not in the same kind of economic position that we are," he said. "They cannot afford sanctions." He added that he found a measure of "poetic justice" in white South Africans turning to Zambia for transport.

the front-line states in which they have carried out so much aggression in the past few years," Mr. Wolpe said in an interview. "These are folks who don't like to deal with their black neighbors and here they are having to be dependent on them."

The 16-hour flight begins in Lusaka. A luxurious transit lounge was built at Lusaka International Airport especially for the flight, which began service April 1. Refreshments in the lounge can be bought only with foreign currency.

The weekly flight is now almost always fully booked, with passengers from South Africa filling between 10 and 20 percent of the DC-10 aircraft. Zambia Airways' direct route, which lasts 16 hours, cuts between five and 10 hours off Johannesburg-New York flights that have stopovers in Europe.

Zambia's New York flight, which depends on nonstop feeder flights between Lusaka and Johannesburg, was begun less than 18 months after Mr. Kaunda proposed that African states cut all their air links with South Africa.

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West Bank Claims to H

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CLICHES: A Full Plate

...Continued from page 1

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* Commencing July 16, 1988. Subject to Government approval.

Herald Tribune

OPINION After Iran-Iraq: Next Watch for an Islamic Comeback

By William Pfaff

Three Threads of Peace

Suddenly, a season of peace seems to be warming the world. The last few months have seen five bitter and protracted conflicts brought suddenly closer to peaceful resolution...

PARIS — It is expected in the West that when the Gulf war does end, things will return to "normal."

claim which Washington, ironically enough, has been anxious to confirm, suggesting to anyone who will listen that the U.S. Navy really won the war.

Asians have seen a recovery of political independence. That is what is happening in the Islamic world — the recovery of a civilization.

PARIS — At last there are prospects for ending the bloody Iran-Iraq war, which started nearly nine years ago.

was the Arab revolt in the World War I, which aborted, but then the so-called Arab renaissance among intellectuals, and the launching of such secular political movements as the Ba'ath socialist party...

Now That the World Wants Peace, Try to Make It Last

By Flora Lewis

PARIS — At last there are prospects for ending the bloody Iran-Iraq war, which started nearly nine years ago.

The war dragged on, with support flowing to both sides, often from the same countries. Iran had led with "human wave" offensives.

Iran and the Hostages

The U.S. government is tied in a knot in the matter of getting back the nine American hostages who are held by friends of Iran.

Iran has two sorts of assets in American hands. If it is trying to reclaim the military stocks that the Shah bought and that the United States impounded, there can be nothing doing.

The Butchery in Mozambique Must Be Stopped

By Matilda R. Cuomo

ALBANY, N.Y. — Mozambique's families are suffering unthinkable violence and death, largely without international awareness.

Many saw them murdered. Many were saved by parents who sacrificed themselves as decoys during raids so that the children could flee.

Burma's Way to Nowhere

Burma for decades tried to find safety and prosperity by slinging out the world, but without success. It displays instead many familiar Third World ills that cannot plausibly be blamed on outsiders.

The Economic Issue: Americans Need Political Leadership

By Robert J. Samuelson

WASHINGTON — When Michael Dukakis says that the presidential election is about competence, not ideology, he has it backward.

political realities to accommodate new economic realities. Mr. Carter did not engineer a consensus for higher taxes to support higher spending.

Euphoria Is Out of Order

As long as the American economy keeps growing steadily, it is very hard to persuade people that anything really needs to be fixed.

Dukakis Should Warn About the Future

By Peter J. Solomon

NEW YORK — What is Michael Dukakis going to say about the economy to convince voters that the Democrats can do a better job?

100, 75 AND 50 YEARS AGO

1888: A Stormy House LONDON — A Member of Parliament says: "The Parliamentary barometer stands at stormy. Mischiefs are in the air, and every hour that passes increases the probability of unusual turmoil."

1938: Corrigan Excused

NEW YORK — Douglas P. Corrigan, who flew a "crate by mistake" across the Atlantic to Ireland, will find that he was "grounded" only for the duration of his voyage home when he arrives here from Europe on Thursday (Aug. 4). Action was taken because Corrigan started out on his errand without official permission.

1933: Venezuelan Coup?

NEW YORK — The Herald's exclusive forecast three days ago (July 29) of a Venezuelan revolution headed by General Castro seems to be fully substantiated.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

From TELEVISION NEWS MONDAY, AUGUST 1, 1988 EUROBO SummerTime B To Slow Market By CARL GE... PARIS — The summer doldrums daily slow activity in the market. The height of the market when interest rates still are at levels which are very unattractive...

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Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30 Prices may vary according to market conditions and other factors.

July 28

Dollar Straights

Table listing bond prices for various issuers like Australia, Canada, and New Zealand.

France

Table listing bond prices for French issuers such as B. of Tokyo and various banks.

Germany

Table listing bond prices for German issuers including various banks and corporations.

Japan

Table listing bond prices for Japanese issuers like Bk of Tokyo.

DM Straights

Table listing bond prices for DM issuers across various European countries.

European

Table listing bond prices for European issuers from countries like Austria and Belgium.

United Kingdom

Table listing bond prices for UK issuers such as various banks and government entities.

Supranational

Table listing bond prices for supranational issuers like the World Bank and IMF.

United States

Table listing bond prices for US issuers including various financial institutions.

Mutual Funds

Figures as of close of trading Friday July 29

NEW YORK (AP)—The following mutual funds, as ranked by the National Association of Securities Dealers, Inc., are the most popular among investors...

Table listing mutual fund performance data for various funds.

Table listing mutual fund performance data for various funds.

Table listing mutual fund performance data for various funds.

Table listing mutual fund performance data for various funds.

DM Zero Coupons

Table listing zero-coupon bond prices for DM issuers.

Western Europe (Other)

Table listing bond prices for other Western European issuers.

Japan

Table listing bond prices for Japanese issuers.

DM Zero Coupons

Table listing zero-coupon bond prices for DM issuers.

United States

Table listing bond prices for US issuers.

Non-European

Table listing bond prices for non-European issuers.

DM Zero Coupons

Table listing zero-coupon bond prices for DM issuers.

U.S. Consumer Rates

Table listing US consumer interest rates for various financial products.

ECU Straights

Table listing bond prices for ECU issuers.

Treasury Bonds

Table listing US Treasury bond prices.

DM Zero Coupons

Table listing zero-coupon bond prices for DM issuers.

U.S. Consumer Rates

Table listing US consumer interest rates.

DM Zero Coupons

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U.S. Consumer Rates

Table listing US consumer interest rates.

DM Zero Coupons

Table listing zero-coupon bond prices for DM issuers.

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Large advertisement for WestLB (Westdeutsche Landesbank) featuring text: 'Fixed Income and Equities Trading - for dealing prices call.' and 'One of the leading Marketmakers'. Includes contact information for various offices.

Vertical advertisement for 'New International' and 'Central American' bonds, featuring text: 'Central American... Seek \$4 Billion'.

New International Bond Issues

Compiled by Bassam Aoun

Table of bond issues with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

Mexican Bank Uses Zero-Coupon U.S. Bonds in Debt Swap

By Carl Gewirtz

International Herald Tribune

PARIS — The technique of using zero-coupon U.S. Treasury bonds to back the restructuring of medium-term bank loans to Mexico has taken a new turn...

A "gentlemen's agreement" extending the \$5.5 billion of interbank lines...

INTERNATIONAL CREDIT

subject to a new rescheduling next year will obviously not be interesting in the Banamex proposal...

will then have been transferred from Banamex to Williams...

The structure of the loan is significantly different from the operation launched by Morgan Guaranty for the government of Mexico...

Officials at state-owned Air France acknowledged last week that the company is looking at the possibility of increasing its capital...

Officials at the European Commission in Brussels said the tax advantage allowed in these deals...

Treasury Bonds Lower Despite Late Rally

By H.J. Maidenberg

New York Times Service

NEW YORK — U.S. Treasury bond prices ended generally lower last week but cut their losses in a rally on Friday...

heightened on Wednesday, when the central bank moved aggressively to drain reserves from the banking system...

The Fed's move that day coincided with data showing that the gross national product was continuing to grow...

Currently, Mexican debt trades at about 51 percent of face value...

In exchange for all this, lending banks will receive 20-year notes from Williams paying 4 point over Libor...

SEC Investigates General Cinema Stock Filing

The Associated Press

BOSTON — The federal government and the New York Stock Exchange said they are examining an apparently bogus claim of a large investment in General Cinema Corp. that triggered a sharp rise in the price of the company's stock...

Inside was a copy of a letter to the SEC from a Kite Johnson of 15 Apple Street, London...

SEC regional administrator nor working as a white-collar crime and securities lawyer in New York...

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WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam The stock market moved broadly higher last week in brisk trading boosted by a rally in international stocks...
London London Stock Exchange indices fluctuated narrowly last week in a generally quiet market...
Singapore Share prices consolidated in moderately quiet trading in Singapore last week...
Zurich Zurich had a quiet trading week with activity centering on insurance companies...
Tokyo The Tokyo Stock Exchange ended a bullish week on an upbeat note...

Table with columns: Country, Index, % Change, High, Low, etc. for Amsterdam, London, Singapore, Zurich, Tokyo.

EUROBONDS: Summertime Slowdown Is Expected

(Continued from first finance page) The first three months, this was set at 4 1/2 point over the interbank loan rate...

What is important for investors is that at any time the margin is set below that fallback level, note-holders can reject the proposed terms and request to be repaid...

The seven fixed-rate Eurodollar bonds, totaling \$970 million, gave an exaggerated view of what was happening in that sector...

Central American Nations Seek \$4 Billion in Aid Plan

United Press International GUATEMALA CITY — The five Central American vice presidents have agreed to propose a plan to the European Community and the United Nations...

Frankfurt

The West German stock market finished the week strongly, with the Commerzbank index 25.10 points higher than the previous Friday...

Hong Kong

Trading was quiet last week with speculation that local interest rates would rise...

Paris

The Paris Bourse was stuck last week in a holiday calm that little seemed to disturb...

INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

Table with columns: TITLE, SALARY, EMPLOYER. Lists positions like NewsWriter, Financial Director, etc.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrery, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France.

NASDAQ National Market

OTC Consolidated trading for week ended Friday, July 29

Table listing NASDAQ National Market data for various stocks, including columns for Sales, High, Low, Last, and Net Change.

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Vertical advertisements on the right margin, including Wall Street, NYSE Most Actives, NYSE Soles, NYSE Diaries, and Chicago Exchange.

Handwritten text at the bottom center of the page: "هذا من الأصل"

EC: Community and Japan Are Working to Strengthen Their Axis, the 'Weak Side of the Triangle' in Trade

(Continued from page 1)
The official aim is to avoid raking over specific trade disputes and concentrate on broader aspects of the community's plans for 1992 and Japan's economic strategy.
The community also wants to promote scientific, technological and industrial cooperation. It has great hopes for a new EC-Japanese industrial cooperation center, opened in Tokyo last year, which is intended to help small and medium-size European companies gain access to the Japanese market.

that the community is finally "on the right track" in its trade with Japan. But they worry about the narrow base of the export success and whether the trend can be maintained.
One quarter of last year's export increase, for instance, was accounted for by cars, mainly high-priced Mercedes, BMWs, Audis and Jaguars. Honda and Nissan, the European officials pointed out, are now responding with competing models aimed at targeting exactly that part of the market.
If the car sales fall off, they said, it will be difficult to keep up the rhythm of expansion. Just to stabilize the deficit at its 1987 level, EC exports have to grow two-and-a-half times faster than Japanese sales to the community.

But the community's principal current complaint is against Japan itself. Japanese companies, the EC alleges, are evading community anti-dumping duties on their cut-price exports of such items as electronic scales and typewriters by transferring production to "screw-driver operations" inside EC borders.
These plants, the community says, often simply assemble low-cost Japanese components so as to evade duty on the finished product and undercut European competitors. The Japanese community officials further allege, often cheat by pretending that the Japanese components have been made in the EC.
"The community is keeping a close eye on the nature of Japanese investment in Europe because very little appears to be invested in industry, and in many cases the investment seems to be simply to promote Japan's export infrastructure," the commission said last month.

Wall Street Review

Table with columns for NYSE Most Actives, AMEX Most Actives, NYSE Sales, AMEX Sales, NYSE Divs, AMEX Divs. Includes stock symbols, prices, and volume.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Large table listing various stocks and their trading activity, including columns for sales, high, low, last, and net change.

JAPAN: A Growing Concern That EC Unity Will Present New Barriers

(Continued from page 1)
to be taken as an opportunity for Europeans, I suspect they want to exploit it to its fullest extent.
Improved ties with Europe — and the notion of a trilateral alliance among the United States, Europe and Japan — have been constant themes in Japanese political and intellectual circles for more than a decade. Underlying these ideas in recent years has been a perception of the United States as a less reliable ally and a less tolerant trading partner.

But while the European theme is not new in Tokyo, it has been pursued with markedly increased vigor under Prime Minister Noboru Takeshita. Japanese and Western analysts say, in effect, Europe's unification and the dramatic rise in the yen's value are adding substance to what had been one of many policy concepts in Tokyo that are long on talk and short on content.
Market unification and its impact on Japan-EC relations was a central issue during Mr. Takeshita's two trips to European capitals this spring. In interviews, Japanese officials now stress the importance of a bilateral committee Mr. Takeshita agreed to establish to monitor the EC's integration process before and after 1992.

Table listing various Japanese stocks and their trading activity, including columns for sales, high, low, last, and net change.

quality of Japanese investment appears to be evolving away from the "screwdriver plants" that have proliferated in Europe in recent years. Instead of using local assembly facilities simply to avoid dumping charges and increase exports, manufacturers are increasingly concerned with projecting themselves as good local citizens, European officials say.
They've seen how U.S. companies in Europe, like Ford and IBM, become practically European, with all the public and government support that entails," the European diplomat said. "This is changing the Japanese approach."

While the EC has yet to enact the external policies that will accompany integration, Japan's emerging concerns cover a broad range of issues in both manufacturing and services industries.
While commercial rights acquired before 1992 will be respected, the additional advantages of unification be open to foreign companies or will they, as Europe-

Table listing various European stocks and their trading activity, including columns for sales, high, low, last, and net change.

It's almost impossible to have total reciprocity," a government official said. "If this is used to obtain the maximum, we're going to have some difficulties.
More broadly, Tokyo's concerns revolve around whether the nation with the most conservative position on a given issue — will effectively dictate policy.
One example of this is the longstanding set of restraints imposed bilaterally on about 100 Japanese products, ranging from autos and motorcycles to silk, televisions and machine tools. Japan is eager to assign the same deadline for the EC's integration to the removal of these barriers.

Preserving open markets is likely to become increasingly important as 1992 approaches, local economists say, because Japan stands at the brink of a new generation of products that will require significant economies of scale to be developed. This makes it essential, these analysts believe, for Japan to avoid intense battles for market share in industries no longer at the forefront of the Japanese economy.
At the policy level, Tokyo is taking a cautious approach to recent U.S. suggestions that the two nations study the establishment of a bilateral free-trade agreement similar to that now pending between the United States and Canada. While U.S.-Japan relations have viewed here as having reached a point where such an arrangement may be justified, officials fear an adverse reaction from Europe and elsewhere.

Table listing various international stocks and their trading activity, including columns for sales, high, low, last, and net change.

Chicago Exchange Options

Figures as of close of trading Friday, July 29

Table listing various Chicago exchange options and their trading activity, including columns for option price, calls, and puts.

American Exchange Options

Figures as of close of trading Friday, July 29

Table listing various American exchange options and their trading activity, including columns for option price, calls, and puts.

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

Multiple classified advertisements for travel agencies and services, including ESCORTS & GUIDES, CAPRICE-NYC, MAYFAIR CLUB, and others.

Flights
I don't want to carry...
Robert L. Leonard...

During the...
The Washington...

Trains to...
The light...

ICHS...
All Plate...

MONDAY SPORTS

Mets Defeat Pirates 3d Time; Lead at 5

The Associated Press NEW YORK — Darryl Strawberry hit a two-run home run and...

SUNDAY BASEBALL

Having scored only one run on 13 singles during the weekend, face...



Milwaukee catcher Charlie O'Brien, diving into the Fenway crowd for a foul pop...

Tigers Keep Edge on Terrell 5-Hitter

Compiled by Our Staff From Dispatches DETROIT — Walt Terrell pitched a five-hitter Saturday night...

SATURDAY BASEBALL

Yankees 3, Blue Jays 1: In Toronto, Rickey Henderson scored two runs...

A Day to Reflect at the NFL Hall of Fame

By Thomas George New York Times Service

CANTON, Ohio — That click, click heard during the Pro Football Hall of Fame's silver anniversary...

would be," Ditka said. "I look at all the great men who have made it here...



WEMBLEY WOE — A cheerleader for the San Francisco 49ers graced as rain poured down on her...

Joe Paterno, Penn State's head coach, introduced Ham, who played for him...

Page was introduced by William Beasley, principal of North Community High School in Minneapolis...

Page played 15 NFL seasons, starting with the Vikings in 1967. In 1971, he became the first defensive player...

Biletnikoff played 14 years as a wide receiver with the Raiders, who were in Oakland then...

Starting in 1961, Ditka, who is entering his seventh season as Chicago's head coach...

"I didn't know how hard this would be," Ditka said. "I look at all the great men who have made it here...

praise I have for playing a game called football," Page said. "The door slams quickly on the unprepared and uneducated. We must educate our children. We don't have a choice."

touchdown and passed four yards for another as the Cincinnati Bengals beat the Los Angeles Rams, 14-7...

After the ceremonies, Turk Schonert ran four yards for a touchdown and passed four yards for another as the Cincinnati Bengals beat the Los Angeles Rams, 14-7...

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er Seeks Transfer

Following the architect of an apparent 1987-88 season...

30 Malaysians

A group of 30 Malaysians were waiting to cross from the Malaysian peninsula...

enate on Arms Sales

Senate members making on China to help improve Sino-U.S. relations...

EL UPDATE

to Roads in France

ankan Civil War Effort to End Violence

Effort to End Violence

SCOREBOARD

Table with columns for Baseball, Football, Soccer, Tennis, and Hockey, listing scores and game details for various leagues.

Major League Standings

Table showing Major League Standings for American League, National League, and other leagues, including win-loss records and percentages.

TRANSITION

Table titled TRANSITION listing various sports events, transfers, and notable news items.

'Double Trouble' Bouts Just That

Compiled by Our Staff From Dispatches ATLANTIC CITY, New Jersey — A low blow and a late hook decided the two world welterweight championship bouts...

WEST GERMAN FIRST DIVISION

Table showing West German First Division football results and standings.

N. Zealand Jars Australia in 3d Rugby Test

SYDNEY — A storming start by New Zealand's forwards stumped Australia and led to a lopsided victory Saturday, 30-9...

